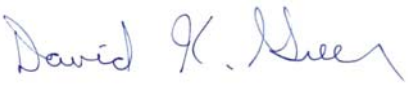


2010 REGULAR SESSION
ACTUARIAL NOTE HB 229

House Bill 229 HLS 10RS-469 Engrossed Author: Representative J. Kevin Pearson Date: April 30, 2010 LLA Note HB 229.02 Organizations Affected: All Louisiana public retirement systems EG NO IMPACT APV	The Note was prepared by the Actuarial Services Department of the Office of the Legislative Auditor.  David K. Greer, CPA Assistant Legislative Auditor and Director of Performance Audit and Actuarial Services
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Bill Header: RETIREMENT SYSTEM: (Constitutional Amendment) Relative to public retirement system, requires a 2/3 vote to enact any changes to retirement provisions having an actuarial cost.

Cost Summary:

Actuarial Cost/(Savings) to Retirement Systems and OGB	\$0
Total Five Year Fiscal Cost	
Expenditures	\$0
Revenues	\$0

Estimated Actuarial Impact:

The chart below shows the estimated increase/(decrease) in the actuarial value of benefits, if any, attributable to the proposed legislation. Note: it includes the present value cost of fiscal costs associated with benefit changes. It does **not** include present value costs associated with other fiscal concerns.

	<u>Increase (Decrease) in</u> <u>The Actuarial Present Value</u>
Actuarial Cost (Savings) to:	
All Louisiana public retirement systems	\$0
Other Post Retirement Benefits	\$0
Total	\$0

Estimated Fiscal Impact:

The chart below shows the estimated fiscal impact of the proposed legislation. This represents the effect on cash flows for government entities including the retirement systems and the Office of Group Benefits. Note: it includes the cash flow effect of the benefit changes on the retirement systems, the Office of Group Benefits, as well as other fiscal concerns.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Bill Information:

Current Law

Under the current constitution, any bill containing benefit provisions for any Louisiana public retirement system that result in an actuarial cost requires only a majority vote of both houses of the Louisiana legislature to pass.

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Proposed Law

If House Bill 229 passes and the constitutional amendment is adopted by Louisiana voters, any bill with benefit provisions having an actuarial cost will require a 2/3 vote by both houses of the Louisiana legislature.

Implications of the Proposed Changes

A greater percentage of the members of the house and senate will have to vote in favor of such a bill in order for it to pass.

Cost Analysis

Analysis of Actuarial Costs

Retirement Systems

There is no actuarial cost to HB 229.

Other Post Retirement Benefits

There is no actuarial cost to HB 229.

Analysis of Fiscal Costs

There is no fiscal cost to HB 229.

Dual Referral

Senate

☐ 13.5.1 ≥ \$100,000 Annual Fiscal Cost

☐ 13.5.2 ≥ \$100,000 Annual Tax or Fee Change

House

☐ 6.8(F) ≥ \$100,000 Annual Fiscal Cost

☐ 6.8(G) ≥ \$100,000 Tax or Fee Increase or a Net Fee Decrease